

Senate Engrossed House Bill

**FILED**

**JANICE K. BREWER  
SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

CHAPTER 306

## **HOUSE BILL 2614**

AN ACT

AMENDING TITLE 42, CHAPTER 12, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-12056; AMENDING SECTION 42-14155, ARIZONA REVISED STATUTES; AMENDING LAWS 2000, CHAPTER 214, SECTION 8; RELATING TO RENEWABLE ENERGY EQUIPMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 42, chapter 12, article 2, Arizona Revised Statutes, is amended by adding section 42-12056, to read:

42-12056. Renewable energy systems valuation; definition

A. FOR PROPERTIES SUBJECT TO THIS CHAPTER AND THAT ARE CLASS THREE AS DEFINED IN SECTION 42-12003 OR CLASS FOUR AS DEFINED IN SECTION 42-12004, RENEWABLE ENERGY SYSTEMS AND ANY OTHER DEVICE OR SYSTEM DESIGNED PRIMARILY FOR THE PRODUCTION OF RENEWABLE ENERGY IN WHICH THE MAJORITY OF THE ENERGY IS CONSUMED ON-SITE, ARE CONSIDERED TO ADD NO VALUE TO THE PROPERTY.

B. FOR THE PURPOSES OF THIS SECTION, "RENEWABLE ENERGY SYSTEMS" MEANS ELECTRIC GENERATION SYSTEMS AND ELECTRIC TRANSMISSION AND DISTRIBUTION THAT IS USED OR USEFUL FOR THE GENERATION, STORAGE, TRANSMISSION OR DISTRIBUTION OF ELECTRIC POWER, ENERGY OR FUEL DERIVED FROM SOLAR, WIND OR OTHER NONPETROLEUM RENEWABLE SOURCES, INCLUDING MATERIALS AND SUPPLIES.

Sec. 2. Section 42-14155, Arizona Revised Statutes, is amended to read:

42-14155. Valuation of renewable energy equipment; definition

A. Through December 31, 2011 2040, the department shall determine the valuation of taxable renewable energy equipment in the manner prescribed by this section.

B. The value of renewable energy equipment is twenty per cent of the depreciated cost of the equipment.

C. For the purposes of this section, "renewable energy equipment" means electric generation facilities, electric transmission, electric distribution, gas distribution or combination gas and electric transmission and distribution and transmission and distribution cooperative property that is located in this state, that is used or useful for the generation, storage, transmission or distribution of electric power, energy or fuel derived from solar, wind or other nonpetroleum renewable sources not intended for self-consumption, including materials and supplies and construction work in progress, but excluding licensed vehicles and property valued under sections 42-14154 and 42-14156.

Sec. 3. Laws 2000, chapter 214, section 8 is amended to read:

Sec. 8. Renewable energy equipment; reports

A. The department of commerce energy office shall compile information regarding the investment in, and use of, renewable energy equipment as defined in section 42-14155, Arizona Revised Statutes, ~~as added by this act,~~ in this state and the amount of electricity produced from such equipment. The energy office shall report the information compiled on renewable energy equipment to the governor, the president of the senate and the speaker of the house of representatives on or before the last day of every fifth fiscal year, beginning with fiscal year 2005, to provide a basis for evaluating the effectiveness of the ~~provisions of this act~~ LAWS 2000, CHAPTER 214 in promoting the use of such equipment.

~~B. Unless otherwise repealed, section 42-14155, Arizona Revised Statutes, is repealed as of December 31, 2011.~~

APPROVED BY THE GOVERNOR JULY 17, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 7, 2008.